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**FISCAL IMPACT STATEMENT**

**LS 7344**

**BILL NUMBER:** HB 1194

**NOTE PREPARED:** Feb 5, 2004

**BILL AMENDED:** Feb 4, 2004

**SUBJECT:** Child Abuse Reporting.

**FIRST AUTHOR:** Rep. Avery

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that a Child Protective Services (CPS) child abuse or neglect report may conclude that abuse or neglect is indicated. (Current law allows only substantiated and unsubstantiated findings.) The bill provides that criminal history checks are required of certain individuals. It requires the local child protection service to provide training to caseworkers concerning the statutory and constitutional rights of persons subject to investigation. It also provides that a person who is the subject of a child abuse or neglect investigation must be advised of the nature of the complaint upon the initiation of the investigation.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** (Revised) *Criminal History Background Checks:* This bill requires (a) the Division of Family and Children, and (b) juvenile probation officers and caseworkers; to conduct a national criminal history background check for each person who is: (1) currently residing in the location designated as the out-of-home placement; or (2) expected to be residing in the location designated as the out-of-home placement during the time the child would be placed in the location; before placing a child in an out-of-home placement. The bill does not apply to entities that are either not residences or that are licensed by the state.

The Family and Social Services Administration (FSSA) would be required to conduct background checks for all blood and adoptive relative caretakers that foster youth are placed with. The bill is not applicable to nonblood and nonadoptive caretakers. These individuals are required to be licensed if youth are to be placed with them, and, thus, would not fall under the requirements of the bill. The cost for a national criminal history background check is \$35.

There were approximately 13,500 Children in Need of Services (CHINS) in Indiana in CY 2002. The Child Welfare League of American (CWLA) reports that in CY 2000, 13% of foster children in Indiana were placed with relatives. Thus, in CY 2002, approximately 1,630 children were placed with relatives. It is, however, important to note that this number is likely higher than 1,630. The percentage of foster youth that are placed with relatives continues to increase annually.

The bill is not retroactive, thus, FSSA would only be required to obtain background checks for future relatives that youth are placed with. An estimate of this number can be found through identifying the number of youth placed with relatives in FY 2002. FSSA placed 1,541 children in out-of-home placements in FY 2002. Of this number, 200, or 13%, are assumed to have been placed with relatives. It should be noted, however, that the number 200 is the total number of children. This number does not indicate the number of households that the children were residing in or how many individuals residing in the households would fall under the requirements of this bill.

It is assumed that a large portion of youth will be placed in a one-person household. Grandmothers make up the majority of relative caregivers in the United States. If it is assumed that all 200 youth were placed in separate households and that there would only be one person in each household that would necessitate a background check, an annual increase in expenditures of \$7,000 is estimated. This number, however, could be higher or lower depending on (1) the number of adults in each household falling under the requirements of this bill and (2) the number of youth placed in each household.

The bill does not specify how often criminal history checks must be conducted. Any increase in the number of times that the check must be completed would increase expenditures for the state.

*Juvenile Probation.* In FY 2002, 23,399 youth were placed on probation in Indiana. A consulting group for nonprofit management, reports that approximately 25% to 33% of these youth were placed in foster care placements. Using these percentages, a range of 5,850 to 7,721 youth on probation are estimated to be placed in foster care placements. It should be noted that this number represents youth placed in foster family homes and with relatives. A separate number for youth placed with relatives is unknown. Below is a chart indicating the annual cost for background checks based on possible numbers of youth.

| <b>Percentage of Youth Placed with a Relative</b> | <b>Annual Expenditures for Criminal History Background Checks (25% of 5,850)</b> | <b>Annual Expenditures for Criminal History Background Checks (33% of 7,721)</b> |
|---|--|--|
| 100%  | \$204,750  | \$270,235  |
| 75%   | \$153,562  | \$202,676  |
| 50%   | \$102,370  | \$135,117  |
| 25%   | \$51,187   | \$67,558   |

*Training:* Current statute requires child protective service workers to be sufficiently qualified and trained. The bill would incorporate new areas of training into the current requirements. The bill requires child protective service workers be provided training for recognizing and attempting to uphold the: (a) statutory rights of a child and any member of a child's family, including a child's guardian or custodian, who is the subject of an investigation of child abuse or neglect; and (b) right of a child and any member of a child's family, including a child's guardian or custodian, who is the subject of an investigation of child abuse or neglect to be protected against unreasonable search and seizure.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA; Indiana State Police.

**Local Agencies Affected:** Local offices of family and children.

**Information Sources:** Steve Hillman, Indiana State Police, 232-5899; Child Welfare League of America; Becky Pryor, Creative Approaches, 652-5804.

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